

Message Text

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46

ACTION OPIC-06

INFO OCT-01 ARA-10 ISO-00 EB-07 L-03 COME-00 TRSE-00 AID-05

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R 151337Z SEP 75

FM AMEMBASSY BOGOTA

TO SECSTATE WASHDC 794

UNCLAS BOGOTA 8839

EO 11652: NA

TAGS: EINV

SUBJ: POLITICAL RISK CONVERTIBILITY INSURANCE (OPIC)

REF: STATE 191056

1. COLOMBIAN LAW CONCERNING CURRENCY CONVERSION STATES ONLY THAT A CONVERSION LICENSE WILL BE ISSUED UPON THE APPLICANT'S SUBMISSION OF ALL REQUIRED DOCUMENTS AND DOES NOT CITE A SPECIFIC CONVERSION PERIOD. IN ESTABLISHED CASES WHICH CALL FOR RECURRING CONVERTIBILITY, AS IN THE INSTANCE OF PERIODIC DIVIDENDS, LICENSE ISSUANCE IS NORMALLY LESS THAN TWO WEEKS. WITH APPLICATIONS WHICH ARE CLEAR CUT, THE ISSUANCE PROCESS TAKES LESS THAN THIRTY DAYS. WITH APPLICATIONS IN WHICH MINOR QUESTIONS ARISE, THIS PERIOD MAY EXTEND TO FORTYFIVE DAYS. HOWEVER, IF A PARTICULAR APPLICATION CONTAINS SUBSTANTIVE CONVERTIBILITY QUESTIONS, ISSUANCE CAN BE EXTENDED FROM SIXTY TO NINETY DAYS. THE GOC OFFICIAL RESPONSIBLE FOR CONVERTIBILITY LICENSE ISSUANCE, LUIS IGNACIO BECERRA, DEPUTY CHIEF, INVESTMENT DIVISION, BANK OF THE REPUBLIC, STATES THAT IT IS OFFICIAL POLICY TO ISSUE THE LICENSE AS RAPIDLY AS POSSIBLE, NOTING THAT IN AN INFLATIONARY ECONOMY, DELAY ONLY INCREASES THE PESO COST OF HARD CURRENCY.

2. IN TALKING WITH AMERICAN INVESTORS, WE DO NOT HAVE THE IMPRESSION THERE IS A QUESTION OF "ACTIVE BLOCKAGE"

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IN COLOMBIA BUT THAT NORMAL BUREAUCRATIC RESPONSE

("PASSIVE BLOCKAGE") TO PROBLEMS CONTAINED IN A
SPECIFIC APPLICATION CAN CAUSE DELAYS IN THE
ISSUANCE OF A CONVERSION LICENSE AS DESCRIBED ABOVE.
VAKY

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Message Attributes

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Decaption Date: 01 JAN 1960
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Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
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